

INFORMATION LETTER

Not for Publication **NATIONAL CANNERS ASSOCIATION** For Members Only

No. 545

Washington, D. C.

April 6, 1935

Copeland Bill Debated in Senate

The Senate on April 1st voted to proceed to the consideration of the Copeland bill (S. 5), thus giving it the status of unfinished business and expediting action upon it. Canners have been furnished with a copy of the bill as reported out by the Committee. In the following comment as to the amendments made during consideration of the bill in the Senate, the references are to sections and paragraphs as they appear in the copy of the bill as reported by the Committee; accordingly, canners may easily check the changes. The comment covers the action of the Senate up to the close of its session on Thursday, April 4, at which time various proposed amendments were yet to be considered.

On April 1st Senator Copeland made only a brief statement regarding the bill and on April 2nd the Senate proceeded to consideration of the amendments proposed in the Committee's report, during the course of which various other amendments were submitted and approved. A number of these did not relate to or affect the canning industry. Among amendments of interest to canners were the following:

Addition to paragraph (d), Section 201, of the phrase, "and excluding the Canal Zone."

Addition to paragraph (i), Section 302, of a further proviso that "truly proprietary food listed by the Secretary and not adulterated, otherwise misbranded, or falsely advertised within the meaning of this Act shall be exempted from this paragraph."

Addition of the phrase "which is not prohibited by section 301" after the word "preservative" in paragraph (k), Section 302.

Revision of the proviso in Section 303, and addition of a further proviso, to read as follows:

"Provided, That no standard of quality shall be established for fresh fruits and fresh vegetables, and no standard of identity for fresh apples and fresh pears; *and Provided further*, That in any regulations pertaining to fill of container the Secretary shall give due consideration to the natural shrinkage in storage and in transit of fresh natural food and to need for the necessary packing and protective material."

Rephrasing of language in Section 702 (lines 1 and 6 on page 9 of reprint of bill sent to canners) so as to read "unreasonable, arbitrary, or capricious, or not in accordance with the facts or law."

Addition of the following proviso, to Section 706:

"Provided further, That whenever in the opinion of the Secretary it is practical, he shall attempt to make the objective inspection of food packed in a Territory or possession of the United States at the first point of entry within the territorial limits of the United States."

Addition to Section 705 of the following language:

"The regulations promulgated under section 701 (a) shall provide for the delivery of a representative part of an official sample of a food, drug, or cosmetic to the vendor thereof, if such sample is collected to determine by analysis whether it is adulterated within the meaning of this Act and subject to any conditions and exceptions which are necessary for the purposes of this act and which are prescribed by such regulations."

Rewriting of Section 707 to read as follows:

"Sec. 707. (a) In order to prevent interstate commerce in adulterated or misbranded food, drugs, or cosmetics for the purposes of safeguarding the public health and preventing deceit upon the purchasing public, officers, or employees duly designated by the Secretary, after first making reasonable request and obtaining permission of the owner, operator, or custodian thereof, are authorized (1) to enter any factory, warehouse, or establishment in which food, drugs, or cosmetics are manufactured, processed, packed, or held for shipment in interstate commerce or are held after such shipment, or to enter any vehicle being used to transport such food, drugs, or cosmetics in interstate commerce; and (2) to inspect such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein. Any such owner, operator, or custodian who refuses such reasonable request shall be guilty of a misdemeanor and shall on conviction thereof, be subject to the penalties prescribed by section 708 (b) of this Act.

"(b) The several District Courts of the United States are hereby vested with jurisdiction to order the disclosure of a private formula or a secret process in pursuance of an inspection made under this section, if and to the extent such disclosure is necessary for the purposes of this Act, and in such case only."

Elimination of phrase "other than by radio broadcast" following the word "faith" in last sentence of paragraph (e), Section 708.

Addition of the following clause at the end of paragraph (e), Section 711: "and as regards fresh apples and fresh pears a true copy of the analysis on which the proceeding is based."

Amendment of paragraph (e), Section 711, to read as follows:

"(e) The procedure in cases under this section shall conform, as nearly as may be, to the procedure in admiralty; except that either party may demand trial by jury of any issue of fact joined in any such case. In cases of articles of food, drugs, or cosmetics seized under the provisions of this section when the same issues of adulteration or misbranding under the provisions of this Act, raised by the same claimant, are pending in various jurisdictions, the United States District Court for any district where one of such seizures is pending, is hereby vested with jurisdiction to consolidate and try such cases; and on application of the claimant, seasonably made, such cases may be tried in the jurisdiction of his choice, or in the United States District Court in the district where his principal place of business is located."

Canning Asparagus Agreement Approved by Secretary Wallace

A marketing agreement for canning asparagus grown in the State of California has been given final approval by the Secretary of Agriculture, effective April 3.

The agreement is to be administered by a control committee of eleven members: five elected by growers, five by canners, and one, neither a grower nor canner, chosen by the other ten. The chief features of the agreement are provisions for limitation of total pack and the establishment of grades for canning asparagus.

The control committee will determine the approximate maximum number of cases of asparagus to be packed during the 1935 canning season, and to fix the day and hour by which the maximum authorized output will have been packed. The canners are to receive at least three days' notice of the date set to cease canning.

In order to encourage the movement of a greater volume of asparagus production to the fresh market, provision is made for correlating the volume of asparagus to be canned with the volume of asparagus shipped for fresh market purposes. Partial limitation of the pack is brought about by permitting only the three highest grades of asparagus to be packed: No. 1 white; No. 1, 4½-inch all green; and No. 1, 3½-inch all green.

The limitation of total pack of asparagus is for the purpose of adjusting the supply of canning asparagus to the prospective market demand.

In connection with this agreement the Agricultural Adjustment Administration advises California asparagus growers against making excessive new plantings and points out the desirability of removing old asparagus beds in order to prevent continued burdensome supplies in the immediate future and to preserve the quality of the asparagus crop. Adjustment Administration officials added that unless asparagus growers take steps to prevent excessive new plantings and to remove old beds, it is not to be expected that marketing agreements can continuously be used effectively as a means of increasing returns to growers.

The agreement does not undertake an adjustment of asparagus acreage since the Agricultural Adjustment Act does not now provide for production control for non-basic agricultural commodities.

The problem of acreage adjustment, officials said, must be more definitely faced by the asparagus growers before the 1936 season.

Status of Pending A. A. A. Legislation

Since the Senate and House Committee hearings on the bills to amend the Agricultural Adjustment Act closed no action has been taken by the Senate Committee on its bill (S. 1807) other than one meeting to discuss the bill.

The House Committee after consideration of H. R. 5585, the companion bill to S. 1807, approved the introduction of a new bill incorporating amendments the Committee proposed to make to the original bill. This measure was introduced by Chairman Jones as H. R. 7088. The Committee has made no formal report to the House, but it was understood that H. R. 7088 in effect constituted a committee report. However, some further amendments were considered and the bill is now back in committee awaiting such final action as may meet with the approval of a majority of the Committee.

The new bill (H. R. 7088) incorporated some additional features, but in general did not meet the fundamental objections raised to the original measure by the representatives of the canning industry who appeared at the hearings on both the Senate and House bills.

Increase in Freight Rates Authorized

The Interstate Commerce Commission, by a five-to-four decision, has authorized the railroads to add certain emergency charges to existing rates on a large part of their traffic for a period to end June 30, 1936. The emergency charges are similar, except in amounts, to those

authorized by the Commission in 1931 and effective from January, 1932, to September, 1933.

In general, the emergency charge on carload traffic is 7 per cent of the total line-haul transportation charge based on present rates, but subject to a maximum of 5 cents per 100 pounds. On a long list of commodities other specific maximum charges less than 5 cents are provided, and these take precedence. This list does not include canned foods. No charge is authorized on less-carload traffic for distances generally less than 220 miles, and for greater distances the charges range from 1 cent to 11 cents.

No emergency charges are authorized for grain, grain products, rice, hay, straw, cotton, cottonseed, citrus fruits, certain fresh fruits, white potatoes, fresh vegetables, dried beans and peas, cattle, sheep, hogs, milk, lumber, and fertilizers.

On coal and coke charges ranging from 3 to 15 cents per net ton are authorized, and on iron ore 10 cents per net ton. The charge on petroleum products is 1 cent per 100 pounds. An emergency charge of 10 per cent is authorized in connection with switching and certain other accessorial charges, subject to exceptions. The carriers' proposal to authorize a charge for issuance of order bills of lading was disapproved.

Government's Policy in Extending Concessions Under Trade Agreements

By proclamation of the President on April 1, the reciprocal trade agreement with Belgium, signed on February 27, becomes effective May 1, unless fluctuations in exchange rates should require suspension of the application of the duties provided for in the agreement.

Concurrently with the proclamation, the President issued a statement which indicates the government's policy with respect to the extension of concessions made in the trade agreements negotiated with foreign countries. The concessions will be extended immediately to all countries in return for non-discriminatory treatment of American commerce. They will be withheld only from countries which discriminate substantially against American trade.

The President has instructed the Secretary of the Treasury to extend the minimum rates provisionally to certain countries which at present are granting less favorable treatment to American trade than to that of other countries, but with which trade agreement negotiations are in progress. These countries include Canada, The Netherlands, Spain, and Switzerland. If negotiations are not successfully concluded within six months, and if these countries do not cease to discriminate against American trade or do not enter into an agreement, the minimum rates would be automatically withdrawn.

The President has also specified that the minimum rates in the Belgian agreement shall be extended to another group of countries, including Denmark, Germany, Italy and Portugal, although these countries are granting less favorable treatment to American trade than to that of other countries, until 30 days after the United States has ceased or will cease to be bound by existing treaties or agreements. It is expected that our government will give notices of termination of existing treaties or agreements with a view to clearing the way to new agreements. The hope is expressed that such agreements will be reached before the existing most-favored-nation treaties or agreements expire so that it will be unnecessary to withdraw our minimum rates from these countries.

Most of the countries not included in the two special groups are not now discriminating seriously, if at all, against American commerce, and the concessions in the Belgian agreement will be given to these countries so long as they continue to accord the United States fair and equitable treatment.

Trade Agreement with Haiti

The trade agreement between the United States and Haiti, signed at Washington on March 28, 1935, provides for reductions in the existing duties of each country on certain products of particular interest to the other, and assurances against the imposition or increase of duties on certain other products. In addition, it contains a reciprocal assurance of unconditional most-favored-nation treatment of each other's commerce in all respects, and special safeguards against the impairment of the trade benefits of this agreement through import quotas, internal taxes, or exchange control. No date has yet been set for bringing this agreement into operation. It is subject to the approval of the Haitian Congress, and will not come into effect until 30 days after it has been proclaimed both by the President of the United States and by the President of Haiti. This is the fourth agreement concluded by the President of the United States under the authority from Congress in the Trade Agreement Act of June 12, 1934.

Among the Haitian products on which the United States grants reduced duties are fresh pineapples and mangos and guavas in preserved form. On pineapples, the rate is reduced from 50 cents to 35 cents per crate, or from 1 1/16 cents to nine-tenths of one cent each when shipped in bulk. On prepared or preserved guavas, the rate is reduced from 35 per cent to 17 1/2 per cent ad valorem, and on mango and guava paste and pulp, from 35 per cent to 28 per cent ad valorem.

Among United States products on which Haiti reduces its import duties are preserved peaches, pears, apricots, berries, cherries, apples and fruits for salad, from 0.40 gourde to 0.26 gourde per net kilo; and

evaporated and condensed milk from 0.30 gourde or 20 per cent ad valorem to 10 per cent ad valorem. The gourde is equivalent to 20 cents, the kilo to 2.204 pounds.

Tentative U. S. Standards for Red Pitted Cherries

Under date of February 21, 1935, the Bureau of Agricultural Economics has issued in mimeograph form tentative U. S. Standards for grades of canned red sour pitted cherries. This is a revision of the draft issued by the Bureau in typewritten form under date of August 2, 1933.

Rules and Regulations for Blue Eagle Reproduction

The National Industrial Recovery Board has prescribed new rules and regulations governing the reproduction of NRA insignia, including code Blue Eagles, PRA Blue Eagles, the Blue Eagle for Sheltered Workshops, and all other Blue Eagle insignia or emblems.

The regulations prohibit reproduction of such insignia without written authorization from the National Recovery Administration. Existing authorizations for reproduction of the Eagle are continued in force, but they and all future authorizations are expressly made subject to revocation at any time by the Administration on finding of violation of any code, Presidential agreement, rule or regulation prescribed or approved under Title I of the National Industrial Recovery Act.

Fruit and Vegetable Market Competition

CARLOT SHIPMENTS AS REPORTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,
DEPARTMENT OF AGRICULTURE

Commodity	Week ending March 30		Week ending March 23		Total for season thr'g March 30	
	1934	1935	1935	1934	1935	
Vegetables:						
Beans, snap and lima.....	312	365	374	7,049	4,642	
Tomatoes	582	841	499	5,844	4,696	
Green peas.....	267	51	66	1,058	1,338	
Spinach	347	274	207	6,111	4,174	
All other vegetables:						
Domestic—						
Competing directly.....	3,882	2,984	3,292	78,520	69,122	
Competing indirectly.....	48	151	233	33,352	51,476	
Imports—						
Competing directly.....	549	575	55	10,600	10,254	
Competing indirectly.....	16	13	19	347	921	
Fruits:						
Citrus, domestic.....	3,462	3,436	3,402	70,061	79,075	
Imports	25	3	3	504	287	
Others, domestic.....	271	142	116	15,738	18,240	

Food Distribution Totals Over Billion Pounds

The Agricultural Adjustment Administration has announced that food products distributed for relief purposes under the joint auspices of the Agricultural Adjustment Administration and the Federal Emergency Relief Administration total 1,010,600,000 pounds, including meats, dairy products, flour, cereals, beans, potatoes and cabbage. This amount, it is stated, was broadly equivalent to about one-sixth of the basic food requirements of those on relief.

Taiwan Pineapple Canning Industry

Despite a small gain in exports, the Taiwan pineapple industry did not make the advance in 1934 that had been anticipated, according to the American consul at Taihoku. Canners were unable to agree on proposed merger plans, rivalry between different pools of canners continued, and there was little uniformity in production or sales methods. None of the 70 small canneries was able to conduct an export trade independently, nor were there effective export agents except Mitsui Bussan Kaisha. The Toyo Can Company, with a factory at Takao, attempted without visible success to effect a working agreement among the companies.

Exports to foreign countries increased, however, from 139,176 dozen cans in the first 11 months of 1933 to 200,099 dozen cans in the first 11 months of 1934. There was an offsetting decline in shipments to Japan, which were 2,253,641 dozen cans in 1933 and only 2,012,652 dozen cans in 1934.

Some expansion of the canned pineapple industry is entirely possible, but there is no likelihood of exports to the United States being increased to the extent of menacing the Hawaiian pineapple industry.

CONTENTS

Page		Page	
Copeland bill debated in Senate..	4399	Trade agreement with Haiti.....	4404
Canning asparagus agreement ap- proved by Secretary Wallace....	4401	Tentative U. S. standards for red pitted cherries	4405
Status of pending A.A.A. legisla- tion	4402	Rules and regulations for blue eagle reproduction	4405
Increase in freight rates author- ized	4402	Fruit and vegetable market com- petition	4405
Government's policy in extending concessions under trade agree- ments	4403	Food distribution totals over billion pounds	4406
		Taiwan pineapple canning industry	4406